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DE RUEHSG #0434 1262105 ZNR UUUUU ZZH R 062105Z MAY 09 FM AMEMBASSY SANTIAGO TO RUEHC/SECSTATE WASHDC 4909 INFO RUEHAC/AMEMBASSY ASUNCION 3963 RUEHBO/AMEMBASSY BOGOTA 2415 RUEHBU/AMEMBASSY BUENOS AIRES 1482 RUEHBR/AMEMBASSY BRASILIA 0896 RUEHCV/AMEMBASSY CARACAS 2088 RUEHPE/AMEMBASSY LIMA 6171 RUEHMN/AMEMBASSY MONTEVIDEO 4393 RUEHQT/AMEMBASSY QUITO 2356 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RUEATRS/DEPT OF TREASURY WASHDC RUCPDOC/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000434

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: KMDR KPAO PGOV ECON PREL SNAR EFIN CI

SUBJECT: CHILE MEDIA REPORT - MAY 6

Leading Stories

11. The government will announce a package of measures to help lower unemployment that would include a solidarity fund and a subsidy for low-income non-working women. Dailies also report that there are signs of economic recovery, as Chile's monthly economic growth rate for March declined significantly less than expected.

AH1N1 Influenza

12. As recommended by the WHO, Chile is monitoring all individuals returning from countries with confirmed cases of AH1N1, namely the United States and Mexico. It has now added Canada. Chile has seven cases under study and bought an additional 600,000 does of antiviral doses for eventual distribution (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 5/6).

Chavez Visit Postponed

- 13. President Hugo Chavez postponed his visit to Chile, scheduled for May 17-18. The Foreign Ministry said the agendas of the two presidents did not concur, adding that the visit would be rescheduled perhaps around the UNASUR meeting in July (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000; La Tercera, conservative, independent, circ. 101,000, 5/6).
- 14. Foreign Affairs Minister Mariano Fernandez said that if there is no consensus on the candidate to head UNASUR, but in an election Chile "would stand by" the candidacy of former Argentine President Nestor Kirchner (La Segunda, conservative, afternoon, circ. 33,000, 5/5).

Former Concertacion Leader Joins Pinera

15. Opposition presidential candidate Sebastian Pinera responded to the commotion caused by the announcement that Senator Fernando Flores -- a former Allende cabinet member and exiled political prisoner -- would support his candidacy. "This is an act of freewill and courage that I fully appreciate, (because) no one will change the view that Senator Flores has of the military regime," said Pinera. UDI Joaquin Lavin said, "When someone who is part of the Concertacion's heart, who was an exile and Allende's minister supports the opposition coalition today, it means that all previous political scenarios have been ruptured." "The question is what those citizens who voted for Flores as a Concertacion senator think about this," said spokesperson Minister Carolina Toha (El Mercurio, 5/6).

Military

16. In Anakara, Defense Ministry sources said that Turkish company Aselsan is in discussions with Chile over a contract to modernize 100 Leopard tanks (La Segunda, 5/5). SIMONS